

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 123 - SB 107**

February 27, 2011

**SUMMARY OF BILL:** Eliminates rule for denial of unemployment benefits to employees of educational service agencies for certain services performed in an educational institution. Eliminates rule for denial of unemployment benefits during predetermined holiday and vacation periods as established by a school calendar for persons performing professional services including instructional, research, or administrative services at an educational institution, and applies the rule only to other services provided by employees of educational services agencies or governmental entities for the benefit of an educational institution or its students.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – According to the Department of Labor and Workforce Development and pursuant to the Federal Unemployment Tax Act, this bill will put state law out of conformity with federal law making it null and void pursuant to Tenn. Code Ann. §50-7-104(b). Enactment of this bill would jeopardize approximately \$40,000,000 in federal funding for the unemployment insurance program.**

Assumptions:

- The U.S. Department of Labor has informed the Department of Labor and Workforce Development (LWFD) that this bill would put the state's unemployment insurance program out of conformity with federal law.
- Tenn. Code Ann. § 50-7-104(b) states that any state law regarding employment security deemed not to conform to federal law shall be void and of no effect.
- According to the Department of Labor and Workforce Development, federal funding for the Unemployment Insurance Fund is approximately \$40,000,000 per year.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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